Indian Affairs - Office of Public Affairs

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Assistant Secretary - Indian Affairs, Kevin Gover announces that there is currently $59 million dollars available in loan guaranty authority to assist tribal and individual economic development projects and business ventures through the Bureau of Indian Affairs' Indian Loan Guaranty Program.

In 1974, Congress passed the Indian Financing Act to stimulate economic development by increasing Indian entrepreneurship and employment through the establishment, acquisition or expansion of Indian-owned businesses. The Indian Loan Guaranty Program is funded with authority to guarantee payment of up to 90 percent of a loan given to eligible American Indians and Alaska Natives who own or will own 51 percent or more of a business enterprise.

"On Indian lands across the country, there are rampant social problems directly related to the lack of opportunity. Currently half of the American Indian workforce is without jobs. But when business and economic development come to a reservation, an amazing thing happens. The social problems Indians have been struggling with begin to get smaller" stated Gover.

The Bureau of Indian Affairs' Indian Guaranty Loan Program facilitates access to credit obtained through approved lending institutions by guaranteeing repayment up to 90 percent of the loan value, this stimulates the supply of capital for Indian owned businesses that otherwise may not get funds. Tribes are eligible for loans guaranteed up to $5.5 million dollars. Individuals are eligible for loans guaranteed up to $500,000 dollars. Each entity must meet a 20 percent equity requirement to be eligible.

Very often, when tribes try to improve the lives of their members, they are met with opposition from every possible source," said Gover. By providing the Indian Loan Guaranty Program the BIA is trying to tear down barriers and move quickly to assist in the creation and upgrading of economic development projects." The Bureau of Indian Affairs provides technical resources that are channeled into the most cost-effective projects, and BIA staff work with tribes and individuals to identify and eliminate internal barriers to sound business practices. A Bureau of Indian Affairs credit committee meets monthly and considers every completed application within 30 days of submission. The Office of Economic Development has produced a CD-ROM training and information program and has gathered Internet tools that can help prospective loan guaranty applicants to better understand the requirements for participating in the program and to help them prepare the application.

In the past, the Indian Loan Guaranty Program has helped finance Indian-owned businesses in construction, cattle ranching, commercial fishing, air charter services, convenience/grocery stores, hotels/conference centers, office buildings, manufacturing and many other businesses.

Tribes and individuals are encouraged to contact local lending institutions or their local Bureau of Indian Affairs office to begin the process of a loan guaranty under this program.

More information on the BIA Indian Loan Guaranty Program can be accessed from the BIA web site located at www.doi.gov/bureau-indian-affairs.html. Click on the link to Economic Development.